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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 001395

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SUBJECT: CABINET FORMATION UPDATE

REF: BAGHDAD 1383

Classified By: Political Counselor Robert S. Ford,
for reasons 1.4 (B) and (D).

¶1. (C) Summary. Cabinet discussions between the Shia Coalition and the Kurds are well underway (See reftel). Internal Iraqiyya meetings have yet to produce results, as members await Ayad Allawi's decision whether or not Iraqiyya will participate. Iraqiyya may opt to go into opposition unless the other blocs guarantee Allawi as head of the National Policy Committee (NPC) with executive power and to make Mehdi Hafedh Deputy Prime Minister or Minister of Finance. Tawafiq has met with the Shia Coalition once but still has issues with Iraqiyya over the Sunni Arab-designated deputy PM position. At week's close we see the key political blocs, including Allawi's heretofore muddled Iraqiyya bloc, moving more seriously into negotiations over the cabinet slots. We are seeing more names being proposed, although still no clear front runners for key ministries like Interior, Defense, Oil, Finance and Foreign Affairs. We can expect some tussles over ministries and then more skirmishes over the names. Notably some blocs - like the Kurds and the Allawi bloc - are having to huddle internally to reconfirm their positions. Septel reports Kurdish viewpoints in greater detail. End Summary.

Kurds Think UIC is greedy

¶2. (C) Kurdish Democratic Party (KDP) member Fawzi Hariri told PolOffs on April 26 that the "greedy" Shia Coalition presented an ambitious ministerial grocery list, demanding 20 ministries including three sovereign ones. Kurdish leaders expect to travel north April 28 to discuss KRG power-sharing and return to Baghdad on May 2 to resume ministerial negotiations.

Shia Coalition Reactions

¶3. (C) Deputy CoR Speaker and Shia Independent Khalid al-Attiyah told PolCouns April 27 that some political parties (specifically mentioning the Kurdish alliance) seek a greater share of cabinet posts than their share of seats in the parliament. He said they want ministries distributed like the government leadership positions (one-third each for the Shia, Sunni Arabs, and Kurds). He added that the Sunni Arab is closer to the Shia Coalition position in accepting that ministries need to be

distributed by election results. Attiyah doubted that the negotiations would finish by mid-May but he was certain a national unity government ultimately would be created. He agreed that all ministries need capable and competent ministers selected for the skill, not their party loyalty. He readily conceded PolCouns' point that the Oil Ministry had suffered too much corruption and had to have a thorough sweep.

¶4. (C) Sadrists CoR member Nasar Zghair Darbi al-Ruba'i told PolFSN on April 26 that the Shia Coalition 7-man negotiation team is not a fixed one. For the Sadrists, both Salam al-Maliki and Baha Hussein al-Araji have represented the Sadrists at the internal Shia Coalition meetings to vet candidate names. Al-Ruba'i reiterated that the Sadrists expect to get six service ministries. He added that the Sadrists do not want any strategic ministries because that would require direct contact with the U.S. Al-Araji told PolOff in an April 27 phone conversation that the Sadrists want to control the Ministries of Health, Transportation, and Agriculture.

¶5. (C) Badr Organization member Sheikh Dhiya al-Din al-Fayyad told PolFSN in an April 27 phone conversation that the distribution of ministries will be largely up to new Prime Minister Nuri Kamel al-Maliki, but the Sunni Arabs have asked the Shia Islamist Coalition to help them get control of the MFA. The Kurds, according to al-Fayyad, might get the MOD in exchange. He said the Shia Coalition is trying to convince the Fadhila Party to let Hussein

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Shahristani be the Minister of Oil. Al-Fayyad stated the Shia have few redlines, but Tawaffuq spokesperson Dhafur al-Ani would be unacceptable in any position in the next Iraqi government.

Iraqiyya: Moving towards Joining On

¶6. (C) In an April 27 morning telephone call with PolFSN, Iraqiyya party member Hussein al-Sha'lan said that Iraqiyya's three-man negotiating team consists of Judge Wa'el Abdul Latif, Hussain al-Sha'lan and Mohammed Allawi. Even though Iraqiyya has decided on the team, al-Sha'lan added, they have yet to decide whether or not to participate.

¶7. (C) By midday April 27 senior Iraqiyya List member Safia Suhail, in an agitated state, described Iraqiyya's April 26 protracted meeting with its 25 elected members as contentious, leaving everyone in a "confused state." She added that Mehdi Hafedh is pushing Allawi to withdraw unless the other blocs guarantee Allawi as Head of the National Policy Committee (NPC) with executive power and Hafedh Deputy Prime Minister of the financial/economic ministries. She asked if executive power for the NPC could be agreed upon behind "closed doors with both the UK and US present." PolOff reminded Suhail that Parliament would require passing a constitutional amendment for the NPC to have executive powers. She feared that Hafedh's personal agenda would have Allawi running away to London by the end of the week. She confirmed that she and Hamid Moussa sent Iraqiyya's ministerial negotiating team to find out what the other blocs want. She could not confirm if Iraqiyya plans to meet again on this matter.

¶8. (C/REL UK) Late April 27, senior Iraqiyya List member Mehdi al-Hafedh contradicted Suhail and said

it was likely Iraqiyya and Allawi would, in fact, participate in the government. Hafedh claimed that Allawi wants to be Secretary General of the NPC, provided the committee could be "rectified" (a) to reduce the number of members from 19 to 7 or 9 and (b) to require, if there is voting, that decisions be binding on the members, or that decisions be taken by consensus. (Comment: Any changes at this point are unlikely, but it is helpful that Allawi is leaning towards participation. We will encourage Iraqiyya not to make these changes a prerequisite to their participation in the government. End Comment)

¶19. (C/REL UK) In addition to SG of the NPC, Hafedh confirmed that Iraqiyya seeks a Deputy Prime Minister position and one of the sovereign ministries -- likely Interior or Finance. Hafedh, a candidate for Finance Minister if Iraqiyya gets that position, said this would "assure" Iraqiyya's participation in the government.

¶10. (C/REL UK) Hafedh said that the decision-making body within Iraqiyya is Allawi, Adnan Pachachi and himself, and that they will meet April 28 at 5:00 p.m. with the Dialogue Front group (Salah Mutlak's party) to discuss putting together a larger block that would attract as many as 40 total members. (Comment: This would include Allawi's 25 parliamentary seats, Mutlak's eleven and four other parliamentarians. It would have no bearing on government formation talks but have parliamentary implications down the road. End Comment)

Sunni Arab Divisions

¶11. (C) Tawafuq ministerial negotiating committee member Ali Baban told PolFSN on April 27 that he and Rafi al-Isawi met with the Shia Coalition and received its ministerial wish list. Baban stated that Tawafuq seeks at least two of three sovereign ministries: Defense, Finance and Foreign Affairs. He added that Tawafuq is still at odds with Allawi who wants the Sunni-designated Deputy Premiership for Iraqiyya. Baban added that Tawafuq leaders are not discussing particular names for the ministerial positions. Instead, they are discussing the process by which each party will nominate individuals, and there are "technical differences" between Tawaffuq and the UIC

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over this process.

¶12. (C) Baban claimed that Tawafuq has no strong objection to the Kurds retaining the Ministry of Foreign Affairs. In contrast, National Dialogue's Saleh Mutlak told PolOff April 27 that he thought Tawafuq was still lobbying for Mutlak to be Foreign Minister.

¶13. (C) Mutlak told PolOff that he favored current Deputy Interior Minister General Abd al-Khedre Madhi Al-Tahir to take current MoI Bayan Jabr's place. For Minister of Defense, Mutlak said he wanted former Iraqi Army General Hamad Obaid, who left the IA in late 1991 but has since remained in Iraq.

KHALILZAD